

STATE EMPLOYEE GROUP BENEFITS ADVISORY COUNCIL MEETING MINUTES

Capitol Building, Room 152
Helena, Montana

December 15, 2015

SEGBAC Council Present

Chairman: Marilyn Bartlett, Administrator, Health Care and Benefits Division
Member: Brian Ehli, Representative, MEA-MFT
Member: John McEwen, Representative, State of Montana Retirees
Member: Quint Nyman, Montana Public Employees' Association
Member: Peggy MacEwen, Human Resource Manager, Department of Environmental Quality
Member: Susan Byorth Fox, Executive Director, Legislative Services Division
Member: Amy Sassano, Assistant Budget Director, Office of Budget and Program Planning
Member: Senator Jim Keane
Member: Mary Dalton, Branch Manager, DPHHS, Medicaid and Health Services Branch
Member: K'Lynn Sloan Harris, AV Coordinator, Legislative Services Division, ICCW Representative
Member: Richard Cooley, Senior Investment Officer, Dept of Commerce, Board of Investments
Member: Doug Mitchell, Deputy Director, Department of Commerce
Member: Beth McLaughlin, Supreme Court Administrator

SEGBAC Council Not Present

Member: Richard Cooley, Senior Investment Officer, Dept of Commerce, Board of Investments

Consultants/Vendors

Kelly Grebinsky, FSA, Principal, Actuaries Northwest
Dr. Burkholder, Consultant to HCBDB
Ron Dewsnap, Allegiance
Mark Eichler, MAHCP, URX

Staff

Amber Thorvilson, Finance Manager
John Thomas, Senior Health Officer
Amber Godbout, Attorney
Charlotte Hafer, Customer Service Assistant
Lance Zanto, Bureau Chief, Workers' Compensation Management
Kim Pullman, Wellness Officer
Jackie Dunbar, Service Team Manager
Sherri Rickman, Case Manager

Guests

Collette Hanson, BCBSMT	Brittany Chandler, Delta Dental
Nancy Schultz, Senior Account Manager, Cigna	Yvette Englert, DOA HR
Lesley Farry, Leg Branch	Kim Browne, Allegiance
Amber Ireland, Allegiance	Jim Dole, Delta Dental
Dennis Bohlman, HCBDB	Lesley Farry, Legislative Services
Greg Martin, DOA/Labor Relations	

Call to Order & Old Business

Marilyn called the meeting to order at 8:35 AM. Since there wasn't a quorum at the beginning of the meeting, she did introductions of those sitting at the table. Marilyn mentioned that Richard Cooley has resigned. He has retired from the State. He gave a name of a potential replacement for his seat on the Council. That name has been passed onto the Governor's office for consideration.

Plan Financial Performance

Kelly Grebinsky from Actuaries Northwest presented the financials in a [power point](#). The financials were through the third quarter. Things have turned around. Kelly reported that the first quarter financials broke even. The second quarter showed more income than expenses, and the third quarter there was more income than expenses. The medical trend over the past 12 months has flattened. Pharmacy trend has gone up 14.5% over the past 12 months. Large claims for 2015 have dropped. So far this year there have been 114 large claims, claims over \$100,000. The third quarter saw a reduction in large claims. Early reports are showing that the fourth quarter is going to be down from last year.

Marilyn asked for a motion to approve the August 11, 2015 minutes. John McEwen moved to approve the minutes, Jim Keane seconded the motion. Motion approved.

Consultant/Vendor Updates

Ron Dewsnap, President and General Manager of Allegiance, gave an update on the transition. He said that the data has been received and that cards will begin to be mailed December 18, 2015. He talked about the care management transition. He also talked about data management. He talked about Verisk. More training will be coming to the State of Montana in January. The data in Verisk is for the past 2 years.

A welcome brochure has been prepared. The brochure will be mailed to retirees.

Ron talked about a Complex Care Coordination (C3) Program. This program involves the doctor office in complex care. They will also work with health centers. Currently there are seven physicians on board and 12 other contracts are under review.

Reference Based Pricing

Ron talked about how reference based pricing gives a common denominator where all providers are measured and it will be comparable. There are four goals with reference based pricing.

1. Reduce cost while maintain integrity
2. Encourage efficiencies at the costliest facilities
3. Increase price transparency
4. Implement future cost increase limits while recognizing the impact of Medicare value and conversion factor changes.

HCBD Update

Marilyn gave her presentation in a [power point](#). She talked about the 2016 rate setting. Changes were made based on recommendations from SEGBAC and the Governor's office. The retiree rates were increased 12%. Contributions to reserves were changed from \$5 million to \$4 million.

She provided an update to annual change this year. This year we condensed the travel schedule from 6 weeks down to 2.5 weeks. In those short weeks, we increased the number of presenters and reached more members in both live presentations and in webinars. Books this year were only mailed upon request. This year we sent out 991 books as compared to over 15,000 last year.

Marilyn asked for any feedback from the Committee. The only question that came up was how many people missed out on the incentive because they waited too long and didn't get their health screening completed? Marilyn will find out the answer.

Marilyn talked about the third party administrator and the selection process. She also talked about the data warehouse and analytics. ITSD data warehouse is receiving data directly from our vendors. The next step is analytic tools. We are currently utilizing VERISK through Allegiance. There will be more staff training in January.

Marilyn provided an update on the Montana Health Centers. The first performance guarantees under renewed contract measured at December 31, 2015.

URx Update

Mark Eichler gave an update on URx in a [power point](#). He talked about the specialty pharmacy and what is happening there. He noted that 0.9% of the claims are costing 39% of the drug budget.

Incentive Program for 2016

Kim Pullman handed out a draft of the incentive program for 2016. The goal is to move from member participation to member engagement. Some of the changes for 2016 include having the HRA be included in the health screening appointment process. Tobacco will be a test that is included in the health screening. The tobacco free status will no longer be self-reported. The next step items will include areas that members need to reach certain benchmarks in order to get the next step discount. The four areas include BMI/waist circumference, Cholesterol, Glucose, and Blood Pressure. Members would then have 1 of 4 options to qualify for the discount. These benchmarks are intended to be a starting place, with the intention of using new reporting and systems to do a deeper dive and modify the "Next Steps" further based on our population.

Public Comment

There was no public comment.

The next SEGBAC meeting will be March 29, 2016.

Marilyn asked for a motion to adjourn the meeting. John McEwen moved to adjourn, Senator Keane seconded. Motion passed. Meeting adjourned at 12:13 pm.